



NEW MADRID COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 1999

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-72
August 1, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 2000

www.auditor.state.mo.us

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like New Madrid, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of New Madrid County was a financial and compliance audit of various county operating funds. The following concerns were noted as part of the audit:

- The Health Center did not bid the purchase of food and supplies during 1998. Therefore the audit questioned costs of \$183,600 which is the federal share of the food and supplies purchased for the Summer Food program during 1998.
- As similarly noted in a prior audit, the county procured bridge replacement engineering services during the audit period without documentation of consideration of other firms. The County Clerk indicated this firm was chosen because of the county's prior experience with the firm on other projects. As a result, the audit report questioned costs of \$37,759 which is the federal share of engineering costs paid during 1999.

The audit also includes some other matters upon which the county should consider and take appropriate corrective action.

Copies of the audit are available upon request.

YELLOW SHEET

NEW MADRID COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the County Commission
and
Officeholders of New Madrid County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of New Madrid County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

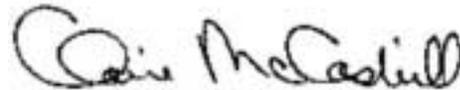
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of New Madrid county, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of New Madrid County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of New Madrid County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended

December 31, 1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated February 24, 2000, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.



Claire McCaskill
State Auditor

February 24, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Douglas E. Brewer
Audit Staff:	Scott L. Fontana
	Tirena C. Miller
	Carl E. Zilch, Jr.



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of New Madrid County, Missouri

We have audited the special-purpose financial statements of various funds of New Madrid County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated February 24, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

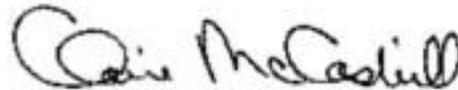
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of New Madrid County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of New Madrid County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of New Madrid County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

February 24, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

NEW MADRID COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,830,572	2,747,734	2,460,214	2,118,092
Special Road and Bridge	1,349,629	2,084,933	1,986,311	1,448,251
Assessment	13,057	265,668	273,990	4,735
Law Enforcement Training	7,530	5,905	3,144	10,291
Prosecuting Attorney Training	303	1,479	1,098	684
Johnson Grass	56,498	39,288	28,523	67,263
Senate Bill 40 Board	109,681	76,272	69,440	116,513
Recorder's User Fee	9,093	7,482	10,079	6,496
Prosecuting Attorney Bad Check	3,675	15,905	15,000	4,580
Criminal Investigation	109,091	24,296	37,027	96,360
Domestic Violence	0	715	715	0
Jail Bond	27,514	111	27,625	0
911 Emergency	76,706	140,919	154,862	62,763
Peace Officer Standards Training	0	3,041	3,041	0
Health Center	576,431	1,162,982	1,269,947	469,466
Total	\$ 4,169,780	6,576,730	6,341,016	4,405,494

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

NEW MADRID COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,827,898	2,518,279	2,515,605	1,830,572
Special Road and Bridge	1,194,462	1,916,646	1,761,479	1,349,629
Assessment	25,892	244,398	257,233	13,057
Law Enforcement Training	1,448	9,871	3,789	7,530
Prosecuting Attorney Training	(131)	1,646	1,212	303
Johnson Grass	47,992	38,420	29,914	56,498
Senate Bill 40 Board	100,317	73,156	63,792	109,681
Recorder's User Fee	19,254	7,408	17,569	9,093
Prosecuting Attorney Delinquent Tax	617	747	1,364	0
Prosecuting Attorney Bad Check	3,290	15,385	15,000	3,675
Criminal Investigation	76,678	71,769	39,356	109,091
Domestic Violence	1,010	785	1,795	0
Jail Bond	27,568	31,334	31,388	27,514
Local Use Tax	77,272	0	77,272	0
911 Emergency	58,400	399,376	381,070	76,706
Peace Officer Standards Training	3,271	3,079	6,350	0
Health Center	528,334	1,236,634	1,188,537	576,431
Total	\$ 3,993,572	6,568,933	6,392,725	4,169,780

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 618,500	644,595	26,095	506,300	559,975	53,675
Sales taxes	850,000	902,961	52,961	897,000	857,028	(39,972)
Intergovernmental	535,268	591,893	56,625	486,818	514,016	27,198
Charges for services	347,100	377,456	30,356	311,900	358,689	46,789
Interest	108,071	108,987	916	103,192	104,049	857
Other	22,175	71,883	49,708	28,000	27,827	(173)
Transfers in	49,528	49,959	431	105,000	96,695	(8,305)
Total Receipts	2,530,642	2,747,734	217,092	2,438,210	2,518,279	80,069
DISBURSEMENTS						
County Commission	97,100	94,710	2,390	72,000	69,695	2,305
County Clerk	118,300	111,329	6,971	106,000	98,483	7,517
Elections	39,700	25,281	14,419	93,200	78,906	14,294
Buildings and grounds	192,775	123,455	69,320	239,000	239,743	(743)
Employee fringe benefits	369,200	354,062	15,138	329,000	322,122	6,878
County Treasurer	34,600	34,497	103	24,690	24,233	457
County Collector	88,418	92,821	(4,403)	75,750	67,735	8,015
Ex Officio Recorder of Deeds	102,184	91,340	10,844	88,165	78,151	10,014
Circuit Clerk	29,600	25,730	3,870	26,000	23,281	2,719
Associate Circuit Court	54,450	23,944	30,506	47,450	20,322	27,128
Auditor	0	16,482	(16,482)	0	0	0
Court administration	26,000	29,122	(3,122)	38,500	22,838	15,662
Public Administrator	25,300	21,238	4,062	16,290	16,415	(125)
Sheriff	429,136	429,063	73	570,590	552,530	18,060
Jail	358,952	308,398	50,554	328,433	312,785	15,648
Prosecuting Attorney	189,708	177,447	12,261	164,880	161,399	3,481
Juvenile Officer	42,240	33,361	8,879	52,096	50,744	1,352
County Coroner	32,470	19,525	12,945	27,770	25,550	2,220
Public health and welfare services	3,500	635	2,865	3,500	1,216	2,284
Other	467,968	397,774	70,194	352,877	309,457	43,420
Transfers out	160,000	50,000	110,000	60,000	40,000	20,000
Emergency Fund	80,000	0	80,000	80,000	0	80,000
Total Disbursements	2,941,601	2,460,214	481,387	2,796,191	2,515,605	280,586
RECEIPTS OVER (UNDER) DISBURSEMENTS	(410,959)	287,520	698,479	(357,981)	2,674	360,655
CASH, JANUARY 1	1,830,572	1,830,572	0	1,827,898	1,827,898	0
CASH, DECEMBER 31	\$ 1,419,613	2,118,092	698,479	1,469,917	1,830,572	360,655

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 818,700	841,576	22,876	769,000	788,349	19,349
Intergovernmental	1,408,200	1,153,047	(255,153)	1,264,897	1,028,896	(236,001)
Interest	88,322	88,346	24	84,171	85,401	1,230
Other	0	1,964	1,964	0	14,000	14,000
Total Receipts	<u>2,315,222</u>	<u>2,084,933</u>	<u>(230,289)</u>	<u>2,118,068</u>	<u>1,916,646</u>	<u>(201,422)</u>
DISBURSEMENTS						
Salaries	690,000	678,518	11,482	657,000	637,375	19,625
Employee fringe benefits	247,990	232,668	15,322	232,950	225,138	7,812
Supplies	16,500	14,843	1,657	19,000	16,868	2,132
Insurance	2,000	0	2,000	2,000	521	1,479
Road and bridge materials	436,000	222,407	213,593	417,500	298,427	119,073
Equipment repairs	231,500	215,615	15,885	226,500	218,615	7,885
Rentals	10,000	6,909	3,091	10,000	8,217	1,783
Equipment purchases	228,203	205,456	22,747	135,000	153,331	(18,331)
Construction, repair, and maintenance	614,000	248,585	365,415	418,000	30,325	387,675
Other	199,000	161,310	37,690	194,000	172,662	21,338
Total Disbursements	<u>2,675,193</u>	<u>1,986,311</u>	<u>688,882</u>	<u>2,311,950</u>	<u>1,761,479</u>	<u>550,471</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(359,971)	98,622	458,593	(193,882)	155,167	349,049
CASH, JANUARY 1	1,349,629	1,349,629	0	1,194,462	1,194,462	0
CASH, DECEMBER 31	<u>\$ 989,658</u>	<u>1,448,251</u>	<u>458,593</u>	<u>1,000,580</u>	<u>1,349,629</u>	<u>349,049</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSESSMENT FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 207,219	212,535	5,316	198,219	201,384	3,165
Interest	2,280	2,454	174	2,837	3,014	177
Other	0	679	679	200	0	(200)
Transfers in	160,000	50,000	(110,000)	60,000	40,000	(20,000)
Total Receipts	<u>369,499</u>	<u>265,668</u>	<u>(103,831)</u>	<u>261,256</u>	<u>244,398</u>	<u>(16,858)</u>
DISBURSEMENTS						
Assessor	381,254	273,990	107,264	282,820	257,233	25,587
Total Disbursements	<u>381,254</u>	<u>273,990</u>	<u>107,264</u>	<u>282,820</u>	<u>257,233</u>	<u>25,587</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,755)	(8,322)	3,433	(21,564)	(12,835)	8,729
CASH, JANUARY 1	13,057	13,057	0	25,892	25,892	0
CASH, DECEMBER 31	<u>\$ 1,302</u>	<u>4,735</u>	<u>3,433</u>	<u>4,328</u>	<u>13,057</u>	<u>8,729</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 6,000	5,905	(95)	5,200	6,600	1,400
Transfer In	0	0	0	0	3,271	3,271
Total Receipts	6,000	5,905	(95)	5,200	9,871	4,671
DISBURSEMENTS						
Sheriff	11,000	3,144	7,856	6,000	3,789	2,211
Total Disbursements	11,000	3,144	7,856	6,000	3,789	2,211
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,000)	2,761	7,761	(800)	6,082	6,882
CASH, JANUARY 1	7,530	7,530	0	1,448	1,448	0
CASH, DECEMBER 31	\$ 2,530	10,291	7,761	648	7,530	6,882

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,500	1,479	(21)	2,000	1,646	(354)
Total Receipts	1,500	1,479	(21)	2,000	1,646	(354)
DISBURSEMENTS						
Prosecuting Attorney	1,500	1,098	402	1,400	1,212	188
Total Disbursements	1,500	1,098	402	1,400	1,212	188
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	381	381	600	434	(166)
CASH, JANUARY 1	303	303	0	(131)	(131)	0
CASH, DECEMBER 31	\$ 303	684	381	469	303	(166)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 JOHNSON GRASS FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 34,500	35,455	955	33,780	34,491	711
Intergovernmental	215	215	0	190	218	28
Interest	3,618	3,618	0	3,710	3,711	1
Total Receipts	38,333	39,288	955	37,680	38,420	740
DISBURSEMENTS						
Salaries	24,350	23,623	727	23,525	22,826	699
Equipment	1,500	494	1,006	1,500	976	524
Other	10,000	4,406	5,594	10,000	6,112	3,888
Total Disbursements	35,850	28,523	7,327	35,025	29,914	5,111
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,483	10,765	8,282	2,655	8,506	5,851
CASH, JANUARY 1	56,498	56,498	0	47,992	47,992	0
CASH, DECEMBER 31	\$ 58,981	67,263	8,282	50,647	56,498	5,851

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SENATE BILL 40 BOARD FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 67,500	68,246	746	65,310	66,340	1,030
Intergovernmental	450	430	(20)	375	435	60
Interest	7,196	7,196	0	6,381	6,381	0
Other	0	400	400	0	0	0
Total Receipts	<u>75,146</u>	<u>76,272</u>	<u>1,126</u>	<u>72,066</u>	<u>73,156</u>	<u>1,090</u>
DISBURSEMENTS						
Programs	65,500	49,825	15,675	58,500	42,760	15,740
Office expenditures	300	24	276	300	0	300
Insurance	1,500	900	600	1,500	900	600
Mileage and training	1,000	0	1,000	1,000	0	1,000
Other	32,100	18,691	13,409	30,400	20,132	10,268
Total Disbursements	<u>100,400</u>	<u>69,440</u>	<u>30,960</u>	<u>91,700</u>	<u>63,792</u>	<u>27,908</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,254)	6,832	32,086	(19,634)	9,364	28,998
CASH, JANUARY 1	109,681	109,681	0	100,317	100,317	0
CASH, DECEMBER 31	<u>\$ 84,427</u>	<u>116,513</u>	<u>32,086</u>	<u>80,683</u>	<u>109,681</u>	<u>28,998</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RECORDER'S USER FEE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 7,000	7,482	482	7,000	7,408	408
Total Receipts	7,000	7,482	482	7,000	7,408	408
DISBURSEMENTS						
Salaries	450	0	450	0	500	(500)
Office expenditures	10,200	10,079	121	13,100	12,812	288
Equipment	200	0	200	5,000	4,257	743
Total Disbursements	10,850	10,079	771	18,100	17,569	531
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,850)	(2,597)	1,253	(11,100)	(10,161)	939
CASH, JANUARY 1	9,093	9,093	0	19,254	19,254	0
CASH, DECEMBER 31	\$ 5,243	6,496	1,253	8,154	9,093	939

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 2,300	660	(1,640)
Interest	0	87	87
Other	200	0	(200)
Total Receipts	<u>2,500</u>	<u>747</u>	<u>(1,753)</u>
DISBURSEMENTS			
Transfers Out	2,000	1,364	636
Total Disbursements	<u>2,000</u>	<u>1,364</u>	<u>636</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	(617)	(1,117)
CASH, JANUARY 1	617	617	0
CASH, DECEMBER 31	<u>\$ 1,117</u>	<u>0</u>	<u>(1,117)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY BAD CHECK FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 15,000	15,905	905	15,000	15,385	385
Total Receipts	15,000	15,905	905	15,000	15,385	385
DISBURSEMENTS						
Transfers Out	15,000	15,000	0	15,000	15,000	0
Total Disbursements	15,000	15,000	0	15,000	15,000	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	905	905	0	385	385
CASH, JANUARY 1	3,675	3,675	0	3,290	3,290	0
CASH, DECEMBER 31	\$ 3,675	4,580	905	3,290	3,675	385

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CRIMINAL INVESTIGATION FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 50,000	17,296	(32,704)	45,000	62,725	17,725
Intergovernmental	0	0	0	0	9,000	9,000
Interest	40	0	(40)	0	44	44
Other	0	7,000	7,000	6,000	0	(6,000)
Total Receipts	<u>50,040</u>	<u>24,296</u>	<u>(25,744)</u>	<u>51,000</u>	<u>71,769</u>	<u>20,769</u>
DISBURSEMENTS						
Office expenditures	8,300	4,881	3,419	6,800	3,269	3,531
Equipment	19,000	7,972	11,028	19,000	10,991	8,009
Mileage and training	4,500	2,962	1,538	3,500	6,607	(3,107)
Other	14,200	13,878	322	10,000	15,430	(5,430)
Transfers out	10,000	7,334	2,666	10,000	3,059	6,941
Total Disbursements	<u>56,000</u>	<u>37,027</u>	<u>18,973</u>	<u>49,300</u>	<u>39,356</u>	<u>9,944</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,960)	(12,731)	(6,771)	1,700	32,413	30,713
CASH, JANUARY 1	109,091	109,091	0	76,678	76,678	0
CASH, DECEMBER 31	<u>\$ 103,131</u>	<u>96,360</u>	<u>(6,771)</u>	<u>78,378</u>	<u>109,091</u>	<u>30,713</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 DOMESTIC VIOLENCE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 700	715	15	700	785	85
Total Receipts	<u>700</u>	<u>715</u>	<u>15</u>	<u>700</u>	<u>785</u>	<u>85</u>
DISBURSEMENTS						
Contract services	700	715	(15)	1,710	1,795	(85)
Total Disbursements	<u>700</u>	<u>715</u>	<u>(15)</u>	<u>1,710</u>	<u>1,795</u>	<u>(85)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(1,010)	(1,010)	0
CASH, JANUARY 1	0	0	0	1,010	1,010	0
CASH, DECEMBER 31	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 JAIL BOND FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Property taxes	\$ 4,500	30,460	25,960
Intergovernmental	235	26	(209)
Interest	700	848	148
Total Receipts	5,435	31,334	25,899
DISBURSEMENTS			
Bond principal	30,000	30,000	0
Bond interest	1,388	1,388	0
Total Disbursements	31,388	31,388	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,953)	(54)	25,899
CASH, JANUARY 1	27,568	27,568	0
CASH, DECEMBER 31	\$ 1,615	27,514	25,899

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LOCAL USE TAX FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Total Receipts	\$ 0	0	0
DISBURSEMENTS			
Transfers out	77,272	77,272	0
Total Disbursements	77,272	77,272	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(77,272)	(77,272)	0
CASH, JANUARY 1	77,272	77,272	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 911 EMERGENCY FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 15,000	0	(15,000)	265,000	261,693	(3,307)
Charges for services	135,000	137,536	2,536	137,000	135,273	(1,727)
Interest	3,383	3,383	0	2,410	2,410	0
Total Receipts	<u>153,383</u>	<u>140,919</u>	<u>(12,464)</u>	<u>404,410</u>	<u>399,376</u>	<u>(5,034)</u>
DISBURSEMENTS						
Salaries	87,900	89,767	(1,867)	92,400	90,077	2,323
Employee fringe benefits	24,900	21,984	2,916	22,840	20,986	1,854
Office expenditures	35,000	35,677	(677)	36,200	34,661	1,539
Equipment	1,800	2,848	(1,048)	239,100	232,402	6,698
Mileage and training	1,000	791	209	1,200	572	628
Other	3,000	3,795	(795)	12,900	2,372	10,528
Total Disbursements	<u>153,600</u>	<u>154,862</u>	<u>(1,262)</u>	<u>404,640</u>	<u>381,070</u>	<u>23,570</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(217)	(13,943)	(13,726)	(230)	18,306	18,536
CASH, JANUARY 1	76,706	76,706	0	58,400	58,400	0
CASH, DECEMBER 31	<u>\$ 76,489</u>	<u>62,763</u>	<u>(13,726)</u>	<u>58,170</u>	<u>76,706</u>	<u>18,536</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PEACE OFFICER STANDARDS TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 3,000	3,041	41	2,600	3,079	479
Total Receipts	3,000	3,041	41	2,600	3,079	479
DISBURSEMENTS						
Mileage and training	3,000	3,041	(41)	5,871	3,079	2,792
Transfers out	0	0	0	0	3,271	(3,271)
Total Disbursements	3,000	3,041	(41)	5,871	6,350	(479)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(3,271)	(3,271)	0
CASH, JANUARY 1	0	0	0	3,271	3,271	0
CASH, DECEMBER 31	\$ 0	0	0	0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

NEW MADRID COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 311,800	315,626	3,826	303,000	305,586	2,586
Intergovernmental	862,500	777,933	(84,567)	841,125	866,935	25,810
Charges for services	16,800	22,869	6,069	20,000	18,641	(1,359)
Interest	30,000	29,353	(647)	25,000	30,629	5,629
Other	20,100	17,201	(2,899)	19,100	14,843	(4,257)
Total Receipts	<u>1,241,200</u>	<u>1,162,982</u>	<u>(78,218)</u>	<u>1,208,225</u>	<u>1,236,634</u>	<u>28,409</u>
DISBURSEMENTS						
Salaries	522,200	504,591	17,609	489,500	475,062	14,438
Office expenditures	115,500	87,240	28,260	98,500	118,012	(19,512)
Equipment	44,800	34,440	10,360	24,000	43,286	(19,286)
Mileage and training	22,000	18,177	3,823	25,500	19,593	5,907
Professional services	35,000	74,933	(39,933)	45,000	30,444	14,556
Building lease interest and principal	83,000	81,423	1,577	85,000	79,468	5,532
New building land and parking lot	40,000	68,784	(28,784)	82,000	34,355	47,645
School health grant	40,000	32,030	7,970	350,000	344,531	5,469
Summer food program	345,000	317,301	27,699	3,000	0	3,000
Other	81,050	51,028	30,022	36,900	43,786	(6,886)
Total Disbursements	<u>1,328,550</u>	<u>1,269,947</u>	<u>58,603</u>	<u>1,239,400</u>	<u>1,188,537</u>	<u>50,863</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(87,350)	(106,965)	(19,615)	(31,175)	48,097	79,272
CASH, JANUARY 1	576,431	576,431	0	528,334	528,334	0
CASH, DECEMBER 31	<u>\$ 489,081</u>	<u>469,466</u>	<u>(19,615)</u>	<u>497,159</u>	<u>576,431</u>	<u>79,272</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

NEW MADRID COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of New Madrid County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt a formal budget for the Jail Bond Fund for the year ended December 31, 1999.

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Domestic Violence Fund	1999 and 1998
911 Emergency Fund	1999
Peace Officer Standards Training Fund	1999 and 1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements for the years ended December 31, 1999 and 1998, did not include the Health Center Fund.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

Cash includes both deposits and investments. In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The financial statements do not include the cash balances of the County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

At December 31, 1999, the reported amount of the county's deposits was \$4,549,871 and the bank balance was \$4,712,562. The bank balance was entirely covered by federal depository insurance, collateral securities held by the county's custodial bank in the county's name, or by commercial insurance provided through a surety bond.

At December 31, 1998, the reported amount of the county's deposits was \$8,164,188 and the bank balance was \$8,321,439. The bank balance was entirely covered by federal depository insurance or collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's deposits at December 31, 1999 and 1998, were entirely covered by federal depository insurance or collateral securities held by the health center's custodial bank in the health center's name.

Investments

The only investments of the various funds at December 31, 1999 and 1998, were U.S. Treasury bills with a reported amount of \$3,600,000 and \$2,100,000, respectively (which approximated fair value).

These investments were held by the Federal Reserve Bank in the county's name.

Supplementary Schedule

Schedule

NEW MADRID COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Social Services -				
10.550	Food Distribution	N/A	\$ 780	787
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERO045-9172	72,722	83,815
10.559	Summer Food Service Program for Children	ERO046-92-059	317,301	0
		ERO046-82-048	0	344,531
	Program Total		<u>317,301</u>	<u>344,531</u>
U.S. DEPARTMENT OF DEFENSE				
Passed through state Department of Public Safety-				
12.unknown	Surplus Property	N/A	0	11,473
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state Department of Economic Development-				
14.228	Community Development Block Grant/State's Program	94-PF-30	0	12,045
U.S. DEPARTMENT OF JUSTICE				
Direct programs-				
16.710	Public Safety Partnership and Community Policing Grants	N/A	10,237	4,147
Passed through:				
State Department of Public Safety -				
16.579	Byrne Formula Grant Program	98NCDI-015	16,548	7,586
16.592	Local Law Enforcement Block Grants Program	N/A	0	9,000
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,084	879

Schedule

NEW MADRID COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state Highway and Transportation Commission-			
20.205	Highway Planning and Construction	BRO-072 (33)	199,772	0
GENERAL SERVICES ADMINISTRATION				
	Passed through state Office of Administration -			
39.003	Donation of Federal Surplus Personal Property	N/A	0	53,200
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Direct program -			
93.268	Immunization Grants	N/A	1,406	688
	Passed through Southeast Area Agency on Aging -			
93.043	Special Programs for the Aging Title III, Part F - Disease Prevention and Health Promotion Services	N/A	2,975	3,012
	Passed through state:			
	Department of Health -			
93.197	Childhood Lead Poisoning Prevention Program - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERO146-0172CLPP	503	126
93.268	Immunization Grants	PG0064-9172IAP	3,135	5,495
		N/A	19,827	13,977
	Program Total		<u>22,962</u>	<u>19,472</u>
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	32,232	27,417
	Department of Health -			
93.575	Child Care and Development Block Grant	PGA067-0172C	990	1,240
		PG067-9172	2,165	3,230
	Program Total		<u>3,155</u>	<u>4,470</u>

Schedule

NEW MADRID COUNTY, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
Department of Social Services -				
93.667	Social Services Block Grant			
		ERO0172115	17,895	18,384
		ERO0172116	21,571	18,500
	Program Total		<u>39,466</u>	<u>36,884</u>
Department of Health-				
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERO161-90063	9,621	11,636
93.991	Preventive Health and Health Services Block Grant	N/A	236	363
93.994	Maternal and Child Health Services Block Grant to the States	ERO146-9172MCH	24,118	14,246
		AOC9000018	0	9,902
		ADC9000064	14,393	20,535
		ERO146-8009-8172PSI	0	3,272
		ERO175-9172FP	13,611	13,734
		N/A	1,180	1,271
	Program Total		<u>53,302</u>	<u>62,960</u>
	Total Expenditures of Federal Awards		<u>\$ 784,302</u>	<u>694,491</u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

NEW MADRID COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by New Madrid County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Food Distribution (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services. Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of

receipt. The amount for Surplus Property (CFDA number 12.unknown) represents the military acquisition costs provided by the state Department of Public Safety.

The direct program amounts for Immunization Grants (CFDA number 93.268) represent the original acquisition cost of varicella (chicken pox) vaccine provided to the Health Center through the Centers for Disease Control of the U.S. Department of Health and Human Services. Of the pass-through amounts for that program, \$21,233 and \$14,665 represent the original acquisition cost of other vaccines purchased by the Centers for Disease Control but distributed to the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$236 and \$363 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$1,180 and \$1,271 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The remaining pass-through amounts for Immunization Grants, the Preventive Health and Health Services Block Grant, and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$12,045 to a subrecipient under the Community Development Block Grant/State's Program (CFDA number 14.228) during the year ended December 31, 1998.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of New Madrid County, Missouri

Compliance

We have audited the compliance of New Madrid County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, New Madrid County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. However, the results of our auditing procedures disclosed

instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 99-1 and 99-2.

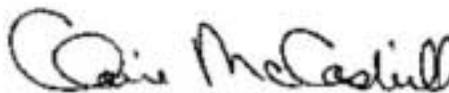
Internal Control Over Compliance

The management of New Madrid County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 99-1 and 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the management of New Madrid County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

February 24, 2000 (fieldwork completion date)

Schedule

NEW MADRID COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 1999 AND 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:

Material weaknesses identified? _____ yes x no

Reportable conditions identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to the financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

Material weaknesses identified? _____ yes x no

Reportable conditions identified that are not considered to be material weaknesses? x yes _____ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? x yes _____ no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.559	Summer Food Service Program for Children
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

99-1.

Summer Food Program

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	10.559
Program Title:	Summer Food Service Program for Children
Pass-Through Entity Identifying Number:	ERO046-92059
Award Year:	1998
Questioned Costs:	\$183,600

The county contracts with the State Department of Health to provide a summer food service program for children. The Health Center did not bid the purchase of food and supplies during 1998. Therefore, we have questioned costs of \$183,600 which is the federal share of the food and supplies purchased for the Summer Food program during 1998. Bids were solicited for food and supplies during 1999.

Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Part I of the Compliance Supplement, requires that states, and government subrecipients of states, use the same policies and procedures used for procurements from non-federal funds. As a result, the procurement of food and supplies should comply with section 50.660, RSMo Cum. Supp. 1999, which requires bids for all purchases of \$4,500 or more from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help ensure the county receives fair value by contracting with the lowest and best bidders. Competitive bidding ensures all parties are given equal opportunity to participate in county business.

WE RECOMMEND the Health Center solicit bids for purchases in accordance with state law.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

During the year ended December 31, 1998, purchases were made by comparison shopping and questioned costs from the prior audit have been resolved with the Department of Health. Since 1999, bids have been obtained for all food and supplies, and we will continue to solicit bids for these items in the future.

99-2.

Highway Planning and Construction

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-072(33)
Award Year:	1999
Questioned Costs:	\$37,759

The county contracts with the State Highway and Transportation Commission for bridge replacement and rehabilitation under the Off-System Bridge Replacement and Rehabilitation Program. These projects are 80 percent federally funded.

During our review, we noted the county procured bridge replacement engineering services during the audit period without documentation of consideration of other firms. The County Clerk indicated this firm was chosen because of the county's prior experience with the firm on other projects. As a result, we have questioned costs of \$37,759 which is the federal share of engineering costs paid during 1999.

Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, in Part I of the Compliance Supplement, requires that states, and government subrecipients of states, use the same policies and procedures used for procurements of non-federal funds. As a result, the procurement of services should comply with Sections 8.289 and 8.291, RSMo 1994, which provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered. The firms should be evaluated based on specific criteria including experience and technical competence, capacity and capability of the firm to perform the work in question, past record of performance, and the firm's proximity to and familiarity with the area in which the project is located.

WE RECOMMEND the County Commission obtain information as required by law when contracting for professional services.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Clerk will implement this recommendation on our next BRO project.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

NEW MADRID COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

NEW MADRID COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

1. County Expenditures

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Off-System Bridge Replacement and Rehabilitation Program
Pass-Through Entity Identifying Number:	BRO-072(30)(31)(32)
Award Year:	1997 and 1996
Questioned Costs:	\$64,385

The county procured bridge replacement engineering services without documentation of consideration of other firms.

Recommendation:

Obtain information as required by law when contracting for professional services.

Status:

Not implemented. See finding number 99-2.

11. Summer Food Program

Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: Department of Health
Federal CFDA Number: 10.559
Program Title: Summer Food Service Program for Children
Pass-Through Entity
Identifying Number: ERO046-72046
Award Year: 1997 and 1996
Questioned Costs: \$421,012

- A. The New Madrid County Health Center (NMCHC) over billed the Summer Food program and received excess reimbursement.
- B. The NMCHC failed to document bids for the purchase of groceries and non-food supplies for the Summer Food program.

Recommendation:

- A. Ensure future reimbursement requests represent actual costs incurred to operate the Summer Food program.
- B. Solicit bids for purchase in accordance with Section 50.660, RSMo. Cum. Supp. 1999 as allowed by federal regulations. Documentation of bids solicited and justification for bid awards should be retained by the NMCHC. If it is not practical to obtain bids in a specific instance, or if sole procurement is necessary, the circumstances should be thoroughly documented.

Status:

- A. Implemented.
- B. Partially implemented. The NMCHC bid the purchase of food and supplies during 1999; however, no bids were solicited during 1998. The Health Center resolved questioned costs with the Department of Health. See finding number 99-1.

SECTION ON OTHER MATTERS

NEW MADRID COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of New Madrid County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated February 24, 2000. We also have audited the compliance of New Madrid County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998, and have issued our report thereon dated February 24, 2000.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of New Madrid County, and of its compliance with the types of compliance requirements applicable to each of its major federal programs but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards and OMB A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Personnel Policies and Procedures

The county does not have a personnel policies and procedures manual.

2. Schedule of Federal Financial Assistance

The Schedule of Federal Awards prepared by the County Clerk contained various errors and omissions.

3. Computer Consultation

The county awarded a consulting contract to an employee of a business owned by the County Clerk without conducting a formal selection process.

4. County Disbursement Procedures

Prenumbered checks are not issued.

5. Health Center Procedures

The health center board did not require their contractor to submit change orders before additional work was performed on the construction of their building. As a result, the health center paid the contractor approximately \$16,000 in excess of the original contract for additional work performed.

This Letter on Other Matters is intended for the information of the management of New Madrid County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.